

HONORABLE RICHARD A. JONES

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED NATURAL FOODS,
INCORPORATED,

Plaintiff,

v.

INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, LOCAL 117 & LOCAL 313,

Defendants.

Case No. 2:19-cv-01736-RAJ

ORDER DENYING MOTION FOR
TEMPORARY STAY PENDING
RESOLUTION OF NLRB CHARGE

I. INTRODUCTION

This matter comes before the Court on Plaintiff's Motion for Temporary Stay Pending Resolution of NLRB Charge. Dkt. # 24. On October 28, 2019, Plaintiff United Natural Foods, Incorporated ("UNFI") filed an action in this Court against Defendant International Brotherhood of Teamsters Local 117 and Local 313 (collectively, the "Unions") to vacate an arbitration award ("Award") granted to the Unions weeks earlier. Dkt. # 1. That same day, UNFI also filed an unfair labor practice charge with the National Labor Relations Board ("NLRB"), alleging that the Award violates the National Labor Relations Act ("NLRA"). Dkt. # 8. The Unions denied the allegations and counterclaimed under the Labor Management Relations Act ("LMRA"), seeking to confirm and enforce the Award and obtain relief from UNFI's alleged breach of certain collective bargaining agreements. Dkt. # 28 at 2. On January 24, 2020, UNFI filed the instant motion. Dkt. # 24.

1 Based on a review of the record, the Court **DENIES** the motion.

2 **II. BACKGROUND**

3 In October 2018, UNFI, a national wholesale grocery distribution company,
4 acquired SuperValu, Inc. and became party to collective bargaining agreements
5 (“CBAs”) with Local 313 and Local 117, which represent employees in UNFI’s facility
6 in Tacoma, Washington. Dkt. # 1 at 4. In February 2019, UNFI announced that it would
7 consolidate its Tacoma, Washington, and Portland, Oregon, facilities and replace them
8 with a new distribution center in Centralia, Washington. The Tacoma and Portland
9 facilities¹ would be closed with the opening of the Centralia facility, which would
10 employ approximately 500 workers, according to UNFI. Dkt. # 1-1 at 5.

11 In March 2019, the Unions filed grievances against UNFI claiming that it violated
12 the CBAs by failing to apply a movement-of-facility provision. *Id.* at 4, 6. According to
13 the Unions, under Section 1.01.2, “Movement of Existing Facility,” of the CBAs, the
14 Tacoma facility employees should “be afforded the opportunity to work at the new
15 facility under the same terms and conditions and without any loss of seniority or other
16 contractual rights or benefits” following the move of a facility. *Id.* at 8. UNFI responded
17 that this provision does not apply to the move to Centralia, and the parties agreed to
18 arbitrate the dispute. Dkt. # 1 at 6.

19 At arbitration, the Unions focused on terms of the contract, specifically contractual
20 rights granted to employees under Section 1.01.2. Dkt # 1-1 at 10. In response, UNFI
21 offered a different interpretation of the contract, maintaining that Section 1.01.2 only
22 applied to “the relocation of a single facility, not the consolidation of two or more
23 facilities.” *Id.* at 14. UNFI also contended that this case is “a representation case subject
24 to NLRB jurisdiction disguised as a grievance.” *Id.* at 10.

25 The arbitrator, acting under the terms of the CBAs, limited the scope of the

26
27 ¹ The employees at the Portland facility are represented by different unions and are not
28 parties in this matter. Dkt. # 1.

1 arbitration to contract interpretation and declined to address UNFI's argument that this
 2 was a representation case "disguised as a grievance." Dkt # 1-1 at 11. The Unions, he
 3 reasoned, did not demand recognition as the exclusive bargaining representative of any
 4 employees at the Centralia facility. In the end, he concluded that Section 1.01.2 applied
 5 to the Tacoma facility employees and that UNFI violated the CBAs when it denied them
 6 the opportunity to work at the Centralia facility under the same terms and conditions
 7 without any loss of seniority or other contractual rights or benefits. *Id.* at 19.

8 UNFI then filed an action in this Court to vacate the Award. Dkt. # 24. UNFI
 9 also filed an unfair labor practice charge with the NLRB, claiming that the Unions were
 10 violating the NLRA by (1) coercing employees at the Centralia facility to be represented
 11 by the Unions; (2) attempting to cause UNFI to discriminate against employees in
 12 Centralia; and (3) seeking to bargain with UNFI when a majority of employees at
 13 Centralia have not designated these unions to represent them. *Id.* at 11. Later, UNFI
 14 moved to stay this Court's proceedings pending resolution of the NLRB charge.

15 **III. DISCUSSION**

16 This Court derives authority to hear "[s]uits for violation of contracts between an
 17 employer and a labor organization representing employees" from Section 301 of the
 18 Labor Management Relations Act. 29 U.S.C. § 185(a). The NLRB has "primary
 19 jurisdiction . . . only [in] cases involving representational issues." *Cent. Valley*
 20 *Typographical Union No. 46 v. McClatchy Newspapers*, 762 F.2d 741, 747 (9th Cir.
 21 1985), *abrogated on other grounds*. The NLRB "has no jurisdiction to consider cases
 22 arising from the breach of a current collective bargaining agreement." *La Mirada*
 23 *Trucking, Inc. v. Teamsters Local Union 166, Int'l Bhd. of Teamsters, Chauffeurs,*
 24 *Warehousemen & Helpers of Am.*, 538 F.2d 286, 288 (9th Cir. 1976). "When a labor
 25 dispute involves both a breach of contract and an unfair labor practice charge, the NLRB
 26 and the courts have concurrent jurisdiction." *Sheet Metal Workers Int'l Ass'n, Local No.*
 27 *162 v. Jason Mfg., Inc.*, 900 F.2d 1392, 1400 (9th Cir. 1990).

1 The Ninth Circuit has held that “federal courts must tread lightly in areas of the
2 NLRB’s primary jurisdiction and must defer to the NLRB when, on close examination,
3 section 301 cases fall within the NLRB’s primary jurisdiction.” *Serv. Employees Int’l*
4 *Union v. St. Vincent Med. Ctr.*, 344 F.3d 977, 983 (9th Cir. 2003) (internal quotations and
5 citation omitted). Indeed, a stay “often will be required” when a “contractual
6 interpretation issue is closely related to an unfair labor practice charge . . . already
7 presented to the NLRB.” 762 F.2d at 747. That is not the case here.

8 Whether Section 1.01.2 applies under the current circumstances is a contractual
9 matter over which the Court has primary jurisdiction. Further, as noted by the Unions
10 (Dkt. # 31), the Court may determine the contractual rights of covered Tacoma facility
11 employees without treading on the NLRB’s resolution of representational issues at the
12 Centralia facility. Indeed, the Unions have made no attempt to represent any employees
13 at the Centralia facility. The Unions have argued only that a term within CBAs—to
14 which UNFI and the Tacoma facility employees are parties—provides an explicit
15 extension of contractual rights to covered Tacoma facility employees who move to
16 another location. Thus, the NLRB’s resolution of the representational issues of Centralia
17 employees will not be preclusive of this Court’s decision with respect to the contractual
18 rights of the Tacoma employees.

19 Beyond questions of primary jurisdiction and issue preclusion, the Court must
20 consider the equities of granting a stay. *See McClatchy*, 762 F.2d at 748. While UNFI
21 has extended “unconditional” offers of employment at the Centralia facility to all Tacoma
22 employees potentially covered by the Award, Dkt. # 24 at 4, these offers include lower
23 wages and fewer benefits than the employees had previously received, pending resolution
24 of this matter. As noted by the Unions, resolution here is “critical” to the covered
25 employees in deciding whether to accept a lower paying job with UNFI or seek
26 employment elsewhere. Dkt. # 31 at 12. On the other hand, UNFI has not alleged any
27 hardship it might suffer if this litigation (the one it commenced) continues.

1 In sum, this Court finds that a stay of proceedings is neither necessary nor
2 appropriate.

3 **IV. CONCLUSION**

4 For the above reasons, Plaintiff UNFI's motion is **DENIED**. Dkt. # 24.

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6 DATED this 21st day of July, 2020.

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9 The Honorable Richard A. Jones
10 United States District Judge
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